

*Commonwealth of Massachusetts*  
*Office of Campaign and Political Finance*

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## **OCPF, Feinstein and McGeney sign disposition agreements concerning campaign loan**

The Office of Campaign and Political Finance announced today that it has entered into separate disposition agreements with Barry A. Feinstein and David M. McGeney, both of Peabody, for violations of the campaign finance law relating to a loan made to McGeney's unsuccessful campaign for mayor of Peabody in 2001.

According to the agreement, Feinstein, who was McGeney's brother-in-law and his campaign committee treasurer, loaned McGeney \$20,000 in August 2001. McGeney subsequently deposited the money in his campaign account and reported it as a \$20,000 loan from himself to the committee in a disclosure report filed with the Peabody city clerk in September 2001.

In March 2002, after being asked by OCPF to provide further documentation regarding the source of the loan, McGeney acknowledged that he borrowed the funds from Feinstein, who, in turn, had obtained a personal bank loan for \$20,000. According to a promissory note between McGeney and Feinstein, McGeney agreed to repay the loan with interest on a monthly basis. Feinstein also acknowledged in March that he had loaned McGeney the money received by the Committee.

Since October 2001, McGeney has been making monthly payments to Feinstein from his personal funds to repay the \$20,000. As of the date of this agreement, approximately \$10,000 has been paid by McGeney and in turn paid to the bank by Feinstein. After OCPF initiated its investigation into this matter, Feinstein arranged with the bank to make McGeney jointly liable for the \$20,000 loan.

In the agreement, OCPF concluded that Feinstein and McGeney violated M.G.L. c. 55, s. 7A, which limits contributions from any individual to a candidate to \$500 during a calendar year.

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The \$20,000 loan obtained from Feinstein was a campaign/political “contribution” that Feinstein knew or reasonably should have known would be transferred to and used by the Committee. In fact, the proceeds of the loan were deposited in the Committee’s account. Because Feinstein had already loaned the Committee \$500 on April 5, he made, and the Committee accepted, a \$20,000 excess contribution. OCPF also concluded that Feinstein and McGeney violated the campaign finance law by accepting the excess contribution on behalf of the Committee, by failing to accurately report that Feinstein was the true source of the \$20,000, and by failing to accurately report the receipt of the excess contribution.

To resolve the issue, Feinstein agreed to pay \$6,000 from his personal funds to the Commonwealth in the nature of a civil forfeiture. McGeney agreed to pay \$2,500 from his personal funds to the Commonwealth in the nature of a civil forfeiture.

McGeney also agreed to continue to make monthly payments to Feinstein in accordance with their agreement until the \$20,000 loan, including interest, is repaid in full. The Committee will also file an amended campaign finance report accurately reflecting the August loan with the City Clerk.

OCPF agreed not to refer either Feinstein or McGeney to the Attorney General for any further action.

The agreements, which were also signed by OCPF Director Michael J. Sullivan, are public record and are available from OCPF, One Ashburton Place, Room 411, Boston, MA 02108. The McGeney Committee’s records are on file at the City Clerk’s Office at Peabody City Hall.

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